Amendments to the Specification:

Please replace the paragraph beginning on page 2, line 27, continuing to page 3, line 17, with the following rewritten paragraph:

As shown in FIG. 1, a telephone controller 100 controls telephone sets 200 and 201 on LAN via a LAN interface circuit120. The telephone controller 100 is provided with a control circuit 110 that executes TCP/IP, an address allocation circuit 122 that allocates a private IP address of the telephone sets 200 and 201 according to an instruction from the control circuit 110, a header analysis circuit 121 that analyzes a header of an IP packet received from LAN1 and a memory ~~132~~ 130 that stores a table 131 showing correspondence among ID, a private IP address, an extension and a user name. ID is represented in the form of (user name) (extension) @ (domain name), for example as kobayashi100@soho-ip.abc.co.jp. A user name is the name of a user of each telephone set 200, 201 and a domain name "soho-ip.abc.co.jp" is a domain name on the Internet of the telephone controller 100. A user name and an extension are used to identify a telephone set controlled by the telephone controller 100. LAN1 is well-known LAN such as 10BASE-T and 100BASE-TX. In FIG. 1, two telephone sets are shown, however, three or more telephone sets may be also connected.

Please replace the paragraph beginning on page 6, line 21, and continuing to page 7, line 17, with the following rewritten paragraph:

The telephone controller 100 receives the message via LAN1. The header analysis circuit 121 receives the message via the LAN interface circuit 120. The header analysis circuit 121 analyzes the header in the packet and notifies the control circuit ~~100~~ 110 that the packet is a message requesting the allocation of an IP address and of the extension in case the header is a predetermined header. Next, the control circuit 110 assigns the domain name of the telephone controller 100 to the extension and generates ID. The control circuit sends the ID to the IP address allocation circuit 122. The IP address allocation circuit 122 generates an IP

address corresponding to the ID. The address allocation circuit 122 sends the ID and the IP address to the control circuit 110. The control circuit 110 writes the extension, the ID and the IP address to the table 131 corresponding each in case the specified extension is already registered in the table 131. In the meantime, the control circuit 110 registers the extension unless the specified extension is registered in the table 131 and writes the extension, the ID and the IP address to the table 131 corresponding to each. For example, in the specified extension is a number 101 and the domain name of the telephone controller 100 is soho-ip.abc.co.jp, ~~110@soho-ip.abc.co.jp~~ 101@soho-ip.abc.co.jp is generated as ID. An IP address (for example, 192. 168.0. 2) corresponding to the ID is generated. These ID and IP address are registered in the table 131.

Please replace the paragraph on page 9, lines 1 to 12, with the following rewritten paragraph:

The packet shown in FIG. 4 is sent from the LAN interface circuit 210 to LAN1. This packet is sent to the header analysis circuit 121 via the LAN interface circuit 120 in the telephone controller 100. The header analysis circuit 121 sends the ID, the user name or the extension extracted from the field of the ID 412 to the control circuit 110 in case the packet is a connection request message as a result of analyzing the header. That is, in case the ID 412 of the connection request message is the first pattern, the ID is sent to the control circuit 110, in the case of a second pattern, the ~~use~~ user name is sent to the control circuit 110 and in the case of the third pattern, the extension is sent to the control circuit 110.

Please replace the paragraph beginning on page 9, line 23, and continuing to page 10, line 3, with the following rewritten paragraph:

Next, the telephone sets 200 and 201 traffic with each other by exchanging a voice packet according to RTP under the control of the RTP control circuit ~~122~~ 221. In a traffic state according to RTP, a conversation packet including sound is directly exchanged between the telephone set 200 and the telephone set 201

without <u>interchange</u> via the telephone controller 100. In this case, each telephone set transmits a voice packet by incorporating the IP address of the partner in the IP address of the destination of transmission in the packet.